

WHY ARE LEAD TIMES SO LONG?

MANUFACTURERS PROVIDE FOUR KEY REASONS



BY VICKI JONES, EDITOR

It is well known that door manufacturers were forced to extend lead times in 2020. Now it appears these product delays are continuing well into 2021.

Door + Access Systems collected information from various manufacturers in order to identify the factors contributing to the extended lead times. Several key reasons emerged from their feedback. Believe it or not, one of these reasons is great news for the industry!

Houston, we have a problem

For several months, dealers have taken to social media to address questions, concerns, and frustrations regarding the long lead times relating to orders of garage doors and related products.

In November, one member of the Garage Door Tech Facebook group posted that he had received an estimate of eight weeks for a standard 9' x 7' door. He asked,

“What are you folks seeing for lead times from other manufacturers?”

Within 12 hours, there were over 40 comments from other members echoing similarly long leads. Dealers reported lead times ranging anywhere from 6 to 12 weeks.

One dealer said, “6-8 weeks and then back ordered another 2 weeks. This is getting ridiculous!” Another said, “5-7 weeks is the standard lead time, even on simple pan doors.”

As the year ended, the long lead times persisted. One dealer’s post summed it up: “People are getting edgy and cranky about this. I must admit that it’s very concerning. God help us all to get through this.”

Not just our industry

D+AS contacted 10 leading manufacturers with specific questions regarding lead times. Five companies responded, one

declined to contribute, and four did not reply to our emails.

Every manufacturer who responded confirmed that long lead times were an industry-wide issue. One admitted that lead times for its residential, commercial, and sectional door company had gone from three days to 6 to 12 weeks, adding that “all companies in the industry have been forced to extend their lead times.”

Another residential and commercial garage door manufacturer said, “Companies designing custom, high-end doors or relying on suppliers for parts are experiencing delays that equate to longer lead times. This isn’t just an issue in our industry; all industries are being affected right now.”

Whether you’re ordering a couch or a new garage door, the estimated lead times to receive any type of special-order product are significantly longer than they were a year ago. But why is that?



to add COVID protection measures such as improved HVAC, Plexiglas dividers, and sanitation stations.

Another door manufacturer said, “When coronavirus first hit, we had to temporarily furlough employees to implement COVID protocols. Our goal was to get people safely back to work as soon as possible.

“Within three weeks, we had to call everyone back because despite the pandemic, orders spiked. It’s been a steady flow of orders ever since.”

Four key reasons for delays:

1. Sick and exposed employees

Manufacturers reported that employees continue to get sick and/or exposed to COVID-19, a factor that is out of their control.

“When one employee tests positive or is exposed to someone who has tested positive, it has a trickle-down effect. Sometimes we have multiple employees from the same family that are exposed,” said one leading door manufacturer.

“One positive test can lead to the quarantining of several employees, and in some cases, affect numerous departments.”

“When people are out, shifts have to be covered, and it causes some backups,” one manufacturer added.

Hiring new workers to help cover shifts may seem like a way to prevent delays, but as one manufacturer reported, “That’s easier said than done. It’s hard to get employees right now. Some people are scared to be in the workforce.”

2. Unpredictable supply chain

Unfortunately, it’s not just manufacturers’ employees who are getting sick. Suppliers’ employees and trucking companies’ employees are also getting sick. This inevitably leads to more delays.

“Sometimes, we have the door made, and it’s ready to go, but we’re waiting for parts,” said one manufacturer. “This can hold the order up for weeks.”

Another manufacturer clearly warns of the potential for delays on its website. Its banner reads, “Products require more time to be delivered due to limited supply and transportation availability as a result of the ongoing COVID-19 impacts.”

When we asked manufacturers, “What area in the supply chain has contributed most to extended lead times?” There was one common response: “Steel.”

3. Availability of raw materials

Every manufacturer reported that the limited steel supply is directly linked to their extended lead times. Manufacturers said that the availability of steel is making delays harder to predict.

If you Google “steel shortages,” you can see that the current steel supply situation is serious and nationwide.

An American Welding Society article from December 7, 2020 reported, “Steel mills are currently unable to fulfill increasing demand from areas like the automobile industry due to shutdowns at the

beginning of the COVID-19 pandemic and a lack of raw materials.”

The author added that experts say it will take a significant amount of time to recover. This prediction doesn’t bode well for dealers waiting for door and operator products that include parts constructed of steel.

4. Increased demand for industry products

The fourth factor contributing to longer lead times is actually a good problem to have. Manufacturers from various sectors and countries have reported an increased demand for door products. This trend is great news for the industry.

In February 2021, the UK’s Door Industry Journal featured an article titled, “I want a door and I want it now!” The story reveals that the increased demand for garage doors is true outside North America as well.

The article begins, “The pandemic

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“Welcome to COVID-19”

Delayed and back-ordered door and access products have become the new normal; much of this can be attributed to the worldwide pandemic.

According to door manufacturers, the pandemic is the most influential factor affecting lead times. However, there are several trickle-down components linked to the pandemic that also need to be considered.

Temporary shutdowns + steady flow = delays

One gate operator company told D+AS, “Manufacturers have suppliers they rely on for their raw materials. During the early stages of the pandemic, many of these suppliers shut down or cut back their operations.”

They noted that the company curtailed operations for almost two months in order

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precipitated huge activity in the home improvement sector and consumer demand for garage doors has never been higher. It's a simple fact that demand has outstripped supply, so finding a product that is available on a lead-time that consumers can accept is a challenge."

One dealer said, "The high demand might be related to the stimulus checks. I think people are spending that money on garage doors!"

Stay at home = home improvement

The stimulus checks and other forms of income coupled with stay-at-home orders may indeed be helping garage door sales. "Due to COVID, people are not spending their disposable income on traveling, dining out, or attending events," said Lyle Symons, the Amarr vice president of sales and operations.

He added that more time at home has focused homeowners' attention on home improvement projects, such as upgrading garage doors. "More often, people are choosing upgrades and features not previously considered, such as insulated doors with additional design options like windows and custom paint," he said.

"Demand is very high," said another manufacturer. "Since the beginning of the pandemic, we have seen a consistent uptick in orders, people utilizing our online door design program, and an increase in website traffic."

In December, The Genie Company announced the launch of an additional residential production line to help meet increasing demand. Genie President Mike Kridel said that the new production line ensures that the company can provide the volume and quality of products that its channel partners need.

New garage door: The ideal COVID-19 project

Upgrading a garage door is an ideal project for these times. It's an exterior project that doesn't require workers to be inside the home. Plus, it's a relatively inexpensive

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upgrade, and it offers a fantastic return on your investment.

Manufacturers also reported an increase in high-end and custom door orders. As more people have been forced to spend time in their yards, manufacturers have seen an increase in more custom glass door installations.

"Residential and commercial glass doors are being used to reinvent outdoor spaces and to create safe outdoor eating areas in restaurants," said one manufacturer. Additionally, with most purchases now being delivered, more warehouses are being built, and warehouses need doors. These trends are contributing to an overall increase in sales, noted one manufacturer.

"High-end door sales are a win-win for the dealer and the manufacturer," said one door manufacturer. "We find that customers who order new made-to-order 'fancy doors' are also more willing to wait for them."

That's good news for the dealer who may be waiting 8 to 12 weeks for products. Selling high-end doors may be a way for dealers to boost their sales and justify longer wait times. After all, if you have to wait for the door, it might as well be one that your customer is really excited about.

Stay informed

Dealers curious about current lead times need to be diligent about staying informed. "Right now, more than ever, it's important for dealers to open and read emails sent by manufacturers and to visit the company website and social media sites for updates," said one manufacturer. "I also recommend talking to your regional and account

managers for lead time and delay information specific to your area."

They added that the company is regularly conducting Zoom presentations to discuss current orders and lead times. Frequent communication helps keep dealers current on delivery dates, and it helps them realize that many delays are out of the manufacturer's control.

The most important thing is to keep the communication lines open.

What can we expect?

Like everything else about this pandemic, future lead times are impossible to predict. One manufacturer reported that there have been no signs of improvement from November to February. Thus, it seems the factors influencing product delays are not going to be resolved anytime soon.

One manufacturer said that improving planning and purchasing strategies has helped. "We have improved turnaround times by increasing inventory and by not letting the inventory turnover rate get too high."

They added that manufacturers with the ability to build key components in-house have an advantage when it comes to maintaining inventory levels. This is central to minimizing long lead times.

"We are fortunate that we are not dependent on offshore suppliers for key components like our circuit boards. This gives us a good handle on lead times and enables us to produce finished goods on demand," said DoorKing's Rick Sedivy.

While the factors causing the delays are inevitable for now, manufacturers appear to be better educated and better equipped to minimize the delays' impact on dealers. In addition, as dealers become more aware of the issues surrounding the long lead times, they can better prepare their customers.

Working together, manufacturers and dealers will weather the storm. And we can all be thankful for the increased demand and sales industrywide. ■

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